87R2121 SMT-D

By:  Allison H.B. No. 1601

A BILL TO BE ENTITLED

AN ACT

relating to a local option exemption from ad valorem taxation of all or part of the appraised value of the residence homesteads of certain peace officers.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Section 11.13(i), Tax Code, is amended to read as follows:

(i)  The assessor and collector for a taxing unit may disregard the exemptions authorized by Subsection (b), (c), (d), [~~or~~] (n), or (s) [~~of this section~~] and assess and collect a tax pledged for payment of debt without deducting the amount of the exemption if:

(1)  prior to adoption of the exemption, the taxing unit pledged the taxes for the payment of a debt; and

(2)  granting the exemption would impair the obligation of the contract creating the debt.

SECTION 2.  Section 11.13(m), Tax Code, is amended by adding Subdivisions (1-a) and (1-b) to read as follows:

(1-a)  "Eligible peace officer" means an individual listed under Article 2.12(1), (2), (3), or (4), Code of Criminal Procedure, who is employed full-time as a peace officer by this state or by a political subdivision of this state.

(1-b)  "High-need area" means an area designated by the governing body of a taxing unit that the governing body determines is likely to benefit from a greater number of peace officers residing in the area.

SECTION 3.  Section 11.13, Tax Code, is amended by adding Subsections (s) and (t) to read as follows:

(s)  In addition to any other exemptions provided by this section, an eligible peace officer is entitled to an exemption from taxation by a taxing unit of all or part of the appraised value of the peace officer's residence homestead if:

(1)  the exemption is adopted by the governing body of the taxing unit in the manner required by law for official action by the governing body; and

(2)  the peace officer's residence homestead is located in an area designated as a high-need area by the governing body of the taxing unit.

(t)  The governing body of a taxing unit may adopt the exemption provided by Subsection (s) as a specified dollar amount or as a percentage of the appraised value of the property.

SECTION 4.  Section 403.302(d), Government Code, is amended to read as follows:

(d)  For the purposes of this section, "taxable value" means the market value of all taxable property less:

(1)  the total dollar amount of any residence homestead exemptions lawfully granted under Section 11.13(b), [~~or~~] (c), or (s), Tax Code, in the year that is the subject of the study for each school district;

(2)  one-half of the total dollar amount of any residence homestead exemptions granted under Section 11.13(n), Tax Code, in the year that is the subject of the study for each school district;

(3)  the total dollar amount of any exemptions granted before May 31, 1993, within a reinvestment zone under agreements authorized by Chapter 312, Tax Code;

(4)  subject to Subsection (e), the total dollar amount of any captured appraised value of property that:

(A)  is within a reinvestment zone created on or before May 31, 1999, or is proposed to be included within the boundaries of a reinvestment zone as the boundaries of the zone and the proposed portion of tax increment paid into the tax increment fund by a school district are described in a written notification provided by the municipality or the board of directors of the zone to the governing bodies of the other taxing units in the manner provided by former Section 311.003(e), Tax Code, before May 31, 1999, and within the boundaries of the zone as those boundaries existed on September 1, 1999, including subsequent improvements to the property regardless of when made;

(B)  generates taxes paid into a tax increment fund created under Chapter 311, Tax Code, under a reinvestment zone financing plan approved under Section 311.011(d), Tax Code, on or before September 1, 1999; and

(C)  is eligible for tax increment financing under Chapter 311, Tax Code;

(5)  the total dollar amount of any captured appraised value of property that:

(A)  is within a reinvestment zone:

(i)  created on or before December 31, 2008, by a municipality with a population of less than 18,000; and

(ii)  the project plan for which includes the alteration, remodeling, repair, or reconstruction of a structure that is included on the National Register of Historic Places and requires that a portion of the tax increment of the zone be used for the improvement or construction of related facilities or for affordable housing;

(B)  generates school district taxes that are paid into a tax increment fund created under Chapter 311, Tax Code; and

(C)  is eligible for tax increment financing under Chapter 311, Tax Code;

(6)  the total dollar amount of any exemptions granted under Section 11.251 or 11.253, Tax Code;

(7)  the difference between the comptroller's estimate of the market value and the productivity value of land that qualifies for appraisal on the basis of its productive capacity, except that the productivity value estimated by the comptroller may not exceed the fair market value of the land;

(8)  the portion of the appraised value of residence homesteads of individuals who receive a tax limitation under Section 11.26, Tax Code, on which school district taxes are not imposed in the year that is the subject of the study, calculated as if the residence homesteads were appraised at the full value required by law;

(9)  a portion of the market value of property not otherwise fully taxable by the district at market value because of action required by statute or the constitution of this state, other than Section 11.311, Tax Code, that, if the tax rate adopted by the district is applied to it, produces an amount equal to the difference between the tax that the district would have imposed on the property if the property were fully taxable at market value and the tax that the district is actually authorized to impose on the property, if this subsection does not otherwise require that portion to be deducted;

(10)  the market value of all tangible personal property, other than manufactured homes, owned by a family or individual and not held or used for the production of income;

(11)  the appraised value of property the collection of delinquent taxes on which is deferred under Section 33.06, Tax Code;

(12)  the portion of the appraised value of property the collection of delinquent taxes on which is deferred under Section 33.065, Tax Code;

(13)  the amount by which the market value of a residence homestead to which Section 23.23, Tax Code, applies exceeds the appraised value of that property as calculated under that section; and

(14)  the total dollar amount of any exemptions granted under Section 11.35, Tax Code.

SECTION 5.  This Act applies only to ad valorem taxes imposed for a tax year that begins on or after the effective date of this Act.

SECTION 6.  This Act takes effect January 1, 2022, but only if the constitutional amendment proposed by the 87th Legislature, Regular Session, 2021, authorizing a local option exemption from ad valorem taxation of all or part of the appraised value of the residence homesteads of certain peace officers is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.